



PHILIP MORRIS

MANAGEMENT CORP.

120 PARK AVENUE, NEW YORK, N.Y. 10017 • TELEPHONE (212) 880-5000

August 8, 1994

Mr. Jim Tozzi
Multinational Business Services, Inc.
11 DuPont Circle, NW
Washington, DC 20036

Re: Agreement Dated January 1, 1994

Dear Mr. Tozzi:

In confirmation of our discussions and in accordance with Section 13(e) of the Agreement dated as of January 1, 1994 (the "Agreement") between Philip Morris Incorporated ("PM USA") and Multinational Business Services, Inc. ("Contractor"), PM USA and Contractor agree to assign and amend the Agreement as follows:

PM USA hereby assigns its rights and obligations under the Agreement to Philip Morris Management Corp., a New York corporation with executive offices located at 120 Park Avenue, New York, New York 10017 ("PMMC").

PMMC hereby assumes each and every obligation of PM USA under the Agreement.

Paragraph 1(h) of the Agreement is redesignated Paragraph 1(i).

The following new Paragraph 1(h) is added to, and made a part of, the Agreement.

"(h) In addition to the foregoing, Contractor will prepare policy and scientific arguments which highlight deficiencies in proposed rules designated by PM USA and suggest substantive and procedural reforms to correct the deficiencies in the rules. The policy papers will be targeted to the affected groups designated by PM USA and should emphasize the burden the rules would place on the particular sector affected. Contractor will meet routinely with the aforementioned groups."

Paragraph 2 of the Agreement is deleted and the following new Paragraph 2 is substituted therefor:

"In full and complete consideration for the services rendered by Contractor during the term of the Agreement, PM USA will pay Contractor as follows:

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(a) In consideration for the services rendered by Contractor described in Section 1(a) through (h), PM USA will pay Contractor \$40,000 for the month of January, \$20,000 for each of the months of February, March and April, and \$40,000 for each of the months of May through December.

(b) In consideration for the services rendered by Contractor described in Section 1(i), PM USA will pay Contractor in accordance with written project budgets submitted to and approved by an authorized representative of PM USA.

Total payments to contractor by PM USA for professional services during the term of the Agreement will not exceed \$610,000. Payments will be made on a monthly basis within thirty days of PM USA's receipt of an itemized invoice detailing the services performed and the time spent performing these services."

The first sentence of Paragraph 4 of the Agreement is deleted and the following new first sentence of Paragraph 4 is substituted therefor:

"The term of the Agreement will commence upon the date first written above and will continue until the later of December 31, 1994 or the satisfactory performance of all services described in Paragraph 1 and the rendering of a final accounting by Contractor."

The remaining terms and conditions of the Agreement will remain full force and effect.

It is understood and agreed that all amounts due Contractor under the Agreement as of the date of this letter have been paid.

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If you agree with and consent to the foregoing, please sign and return both copies of this letter.

Sincerely,

PHILIP MORRIS INCORPORATED

By: Ted Tozzi

Title: Director Affairs

PHILIP MORRIS MANAGEMENT CORP.

By: [Signature]

Title: Sr VP

ACCEPTED AND AGREED:

MULTINATIONAL BUSINESS SERVICES, INC.

By: Jim Tozzi

Title: President

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